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ABSTRACT

This report provides statistical information about young children and their families living in poverty. It includes the following data: (1) from 1987 to 1992, the number of poor children under age 6 rose from 5 to 6 million; (2) from 1972 through 1992, the poverty rates have increased dramatically for children under age 6; (3) in 1992, 55 percent of poor children under age 6 were either black or Hispanic; (4) poverty rates for children under age 6 are the highest in urban areas; (5) over 10 million children under age 6 lived in low-income families in 1992; (6) 18 percent of all poor children under age 6 in 1992 lived with unmarried mothers who worked full-time or with married parents, at least one of whom had a full-time job; (7) the odds of being poor increase for children under age 6 living with unmarried mothers; (8) young children with better-educated parents are much less likely than others to be poor; and (9) public assistance or full-time employment does not guarantee that families will not be poor. (MDM)

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Young Children in Poverty:

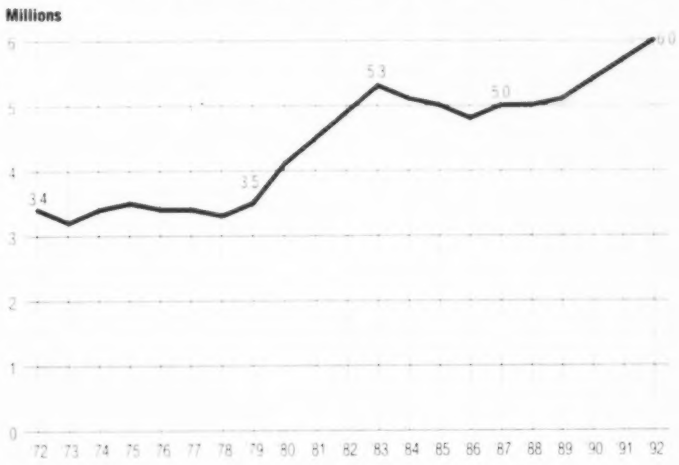
This publication continues a series of annual statistical updates about young children and their families living in poverty in the United States. It builds on the 1990 report *Five Million Children: A Statistical Profile of Our Poorest Young Citizens*, and incorporates information from the 1993 March Supplement to the Census Bureau's Current Population Survey (CPS) and information from the U.S. House of Representative Committee on Ways and Means' *Overview of Entitlement Programs: 1994 Green Book*. These data* provide an estimate of family poverty status for 1992 measured by the federal poverty line, which adjusts for annual cost-of-living increases and family size but not for location. In 1992, the poverty line was $9,137 for a family of two, $11,186 for a family of three, and $14,335 for a family of four.

Poor Children Under Six: How Many Are There, Who Are They, and Where Do They Live?

From 1987 to 1992 the number of poor children under six rose from five to six million—a staggering increase for the nation's youngest, most vulnerable population group.

Since the late 1970s the number of poor children under six has risen dramatically. Between 1972 and 1979 the number of children under six living in poverty was fairly stable at about 3.5 million. From 1979 to 1983 the number of poor children under six grew by more than 50 percent, to 5.3 million. After declining briefly to 4.8 million in 1986, the number of poor children under six has increased continuously, especially rapidly since 1989. By 1992, there were six million young children under six living in poverty in the United States. (See Figure 1.)

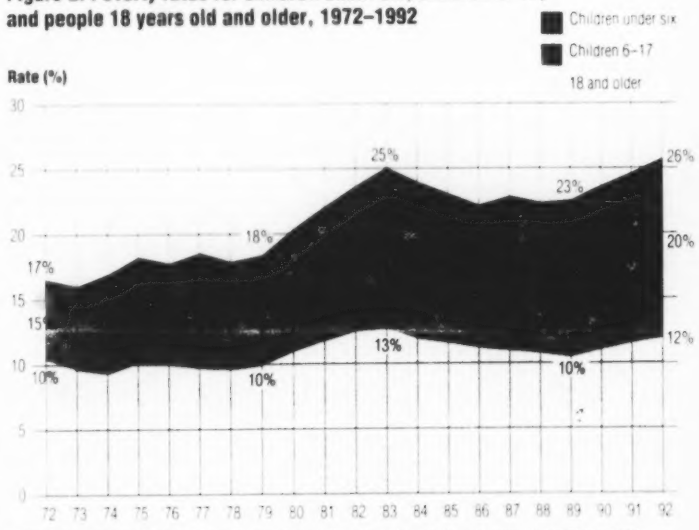
Figure 1: Number of poor children under six, 1972–1992



For two decades poverty rates have increased most dramatically for children under six, as compared to other age groups.

From 1972 through 1979 the poverty rate for children under six was relatively stable, ranging from 16 to 18 percent. (The poverty rate is the percentage of people in any group who live in families with a combined income below the federal poverty line.) The poverty rate began rising in 1980 and in 1983 reached 25 percent for children under six, 21 percent for children 6–17, and 13 percent for all others. Despite improving economic conditions from 1983 to 1989, the poverty rate for children under six declined only slightly, to about 23 percent. Between 1989 and 1992, the poverty rate for children under six rose again steadily to 26 percent, reaching a rate more than twice as high as that for adults 18 and older (12 percent). (See Figure 2.)

Figure 2: Poverty rates for children under six, children 6–17, and people 18 years old and older, 1972–1992



Additional source: U.S. Bureau of the Census, Current Population Report, Poverty in the United States: 1992

** Unless otherwise noted, these poverty statistics exclude non-cash public assistance and Earned Income Tax Credit. Percentages and numbers are rounded and may not add to totals.*

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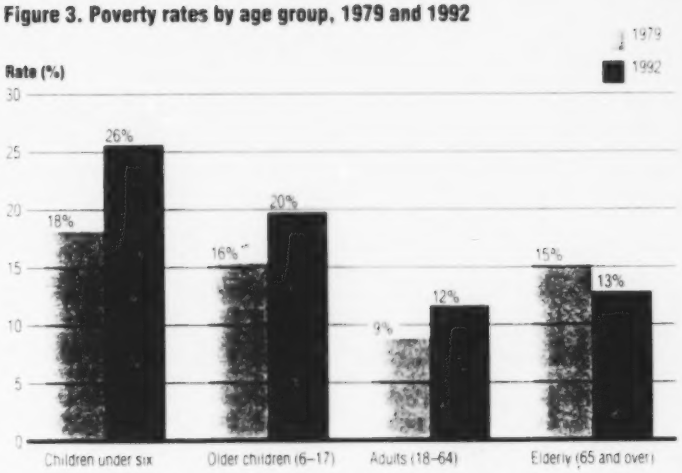
Children under six are more likely to be poor than any other age group.

The 26 percent poverty rate for children under six in 1992 was higher than the rate for any other age group in the United States. It was more than double the rate for adults aged 18-64, double the rate for the elderly, people 65 and over, and substantially higher than the rate for older children. (See Figure 3.)

In the 13-year period between 1979 and 1992, poverty rates increased for all age groups except the elderly. The poverty rate for children under six increased by 40 percent, while the poverty rates for older children and adults under 65 grew by 25 percent and 33 percent, respectively. Among the elderly, the poverty rate declined by 13 percent.

Figure 3. Poverty rates by age group, 1979 and 1992



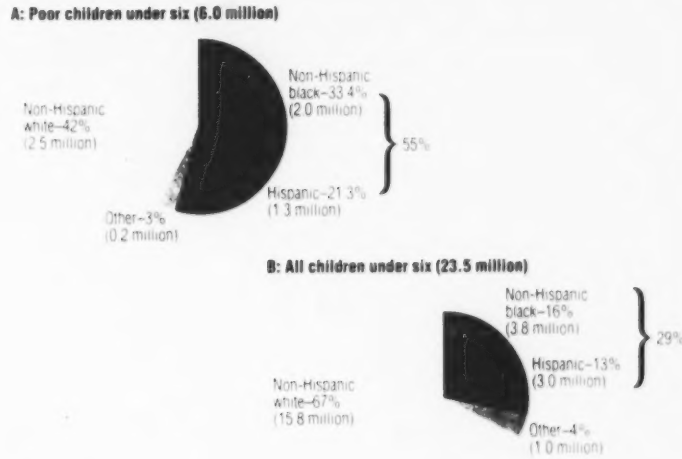
Additional source: U.S. Bureau of the Census, Current Population Report, Poverty in the United States: 1992.

In 1992, 55 percent of poor children under six were either black or Hispanic—a very disproportionate representation. Of all children under six that year, only 29 percent were from these two groups.

Of the six million poor children under six in 1992, 2.5 million (42 percent) were non-Hispanic white, while 3.5 million were from minority groups—2.0 million non-Hispanic black (33 percent), 1.3 million Hispanic (21 percent), and 0.2 million (3 percent) members of other racial or ethnic groups. (See Figure 4A.)

Of the 23.5 million children under six in 1992, 15.8 million were non-Hispanic white children (67 percent), and 7.8 million were from minority groups—3.8 million non-Hispanic black (16 percent), 3.0 million Hispanic (13 percent), and 1.0 million members of other racial or ethnic groups (4 percent). (See Figure 4B.)

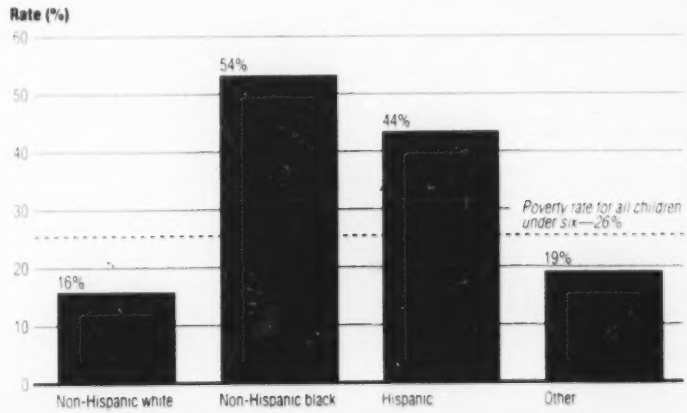
Figure 4. Percentage distribution and number of poor children under six and of all children under six by race/ethnicity, 1992



Non-Hispanic black and Hispanic children are much more likely to be poor than are non-Hispanic white children.

Poverty rates vary greatly for different racial or ethnic groups. In 1992, the poverty rate for non-Hispanic black children under six rose to 54 percent (from 52 percent in 1991). This rate has remained high since 1989, and the 1992 rate is the highest since the Census Bureau began to report this information in 1960. For young Hispanic children, the poverty rate was 44 percent in both 1991 and 1992. The poverty rate for non-Hispanic white children was 16 percent in 1992, up from 14 percent in 1991. (See Figure 5.)

Figure 5. Poverty rate for children under six by race/ethnicity, 1992



Children under six living with unmarried mothers are much more likely to be poor than are those living with married parents. Even so, in 1992 over two million poor children under six lived in married-couple families.

In 1992, children under six living with unmarried mothers were almost five times as likely to be poor as were those living with married parents. The poverty rate for young children living with unmarried mothers was 62.5 percent, compared with 12.6 percent for those living with married parents. (See Table 1.)

Since the mid-1970s, the proportion of poor young children living with unmarried mothers has been increasing. By 1992, 58 percent (3.5 million) of all poor children under age six lived with unmarried mothers, some 35 percent (2.1 million) lived with married parents. (See Table 1.)

Table 1: Number and percentage distribution of all children under six and of poor children under six, and poverty rate, by family type, 1992

Family type	All children under six		Poor children under six		Poverty rate
	Number (in millions)	Percentage distribution	Number (in millions)	Percentage distribution	%
All	23.5	100.0	6.0	100.0	25.7
Unmarried heads of families*	6.7	28.5	3.9	64.7	58.3
Unmarried mothers	*5.6*	*23.9*	*3.5*	*58.2*	*62.5*
Married couples**	16.8	71.5	2.1	35.3	12.7
Legal parents	*16.7*	*70.8*	*2.1*	*34.7*	*12.6*

* *Including children living with unmarried fathers, unmarried mothers, or unmarried relatives*
** *Including children living in families with both parents present or with no parent present (e.g., with grandparents)*
Note: Unmarried heads of families or unmarried mothers refers to currently unmarried individuals, including those who are widowed, separated, divorced, or never married.

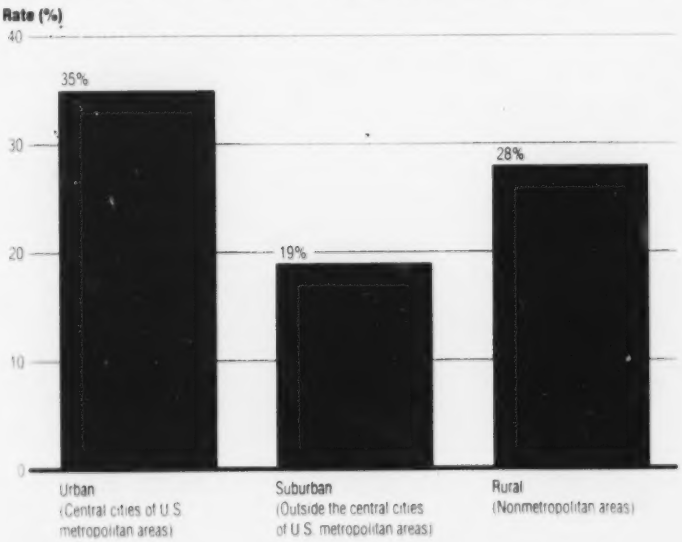
Poverty rates for children under six are the highest in urban areas.

In 1992, the poverty rate among children under six living in urban areas was 35 percent, compared with 19 percent in suburban areas and 28 percent in rural areas. (See Figure 6.) Of the six million children under six living in poverty in 1992, 42 percent (2.5 million) lived in central cities, 36 percent (2.1 million) lived in suburban areas, and 23 percent (1.4 million) lived in rural areas.*

In some metropolitan areas the risk of children under six being poor is more than twice as high as for those in the U.S. as a whole. Moreover, in many metropolitan areas across the nation, more than half of poor children under six live in extreme poverty—below 50 percent of the federal poverty line.

* *Percentages are rounded.*

Figure 6. Poverty rates for children under six by residence, 1992



Over 10 million children under six lived in low-income families in 1992.

Of the six million living in poverty, just under half lived in extreme poverty, in households with a combined family income below 50 percent of the federal poverty line. The proportion of children under six living in extreme poverty reached 12 percent in 1992. An additional 4.4 million children under six lived in near poverty that year, in households with a combined family income between 100 percent and 185 percent of the federal poverty line. The total number of children under six living in low-income families reached 10.4 million in 1992. (See Figure 7.)

Figure 7. Percentage distribution and number of all children under six by ratio of income to poverty, 1992

Total = 23.5 million
PL = poverty line
Children under six in families with incomes at or above 185% PL
—56%
(13.1 million)
Children under six in low-income families
—44%
(10.4 million)

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Poor Children Under Six: Why Are They Poor?

Several interrelated factors help to explain why six million young children were poor in 1992. Chief among them are the following:

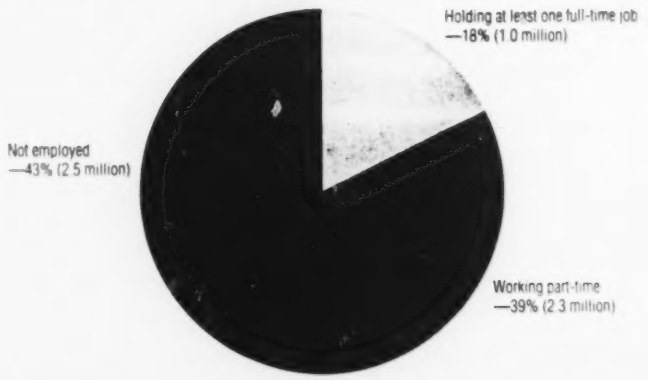
- **Parental employment status and earnings**
- **Family structure**
- **Parental education**

Just over one-sixth, or 18 percent, of all poor children under six in 1992 lived with unmarried mothers who worked full-time or with married parents, at least one of whom held a full-time job.

In 1992, 18 percent of all poor children under six had at least one parent who held a full-time job. Another 39 percent of these poor young children had parent(s) who worked part-time. Some 43 percent had parents who were not employed. (See Figure 8.)

Children under six with a parent or parents who hold at least one full-time job are much less likely to be poor than children who do not have a parent who works full-time. In 1992, the poverty rate among all children under six with at least one parent working full-time was 7 percent. Among all children whose parent or parents worked part-time, 49 percent were poor. The poverty rate was 82 percent among all children under six living with one or two parents who were not employed.

Figure 8. Percentage distribution and number of poor children under six by combined parental employment status, 1992



Note: Calculations are based on parental working status in the previous year. Numbers do not add to 6.0 million because 0.3 million of these poor children did not live with parents. In this figure and Tables 2, 3, and 4, full-time full-year working is defined as a full-time job. Full-time part-year working, part-time full-year working, and part-time part-year working are grouped as a part-time job.

Children living in married two-parent families benefit from having two parents who can contribute income from employment.

In 1992, the poverty rate for all children under six in married two-parent families was very low—only 3 percent—when both parents were employed and at least one parent held a full-time job. The poverty rate rose to 12 percent among those children under six living in married two-parent families with an income from only one full-time job. Among children under six living with married parents who worked part-time only, the poverty rate was 40 percent. (See Table 2.)

Among children under six living with unmarried mothers in 1992, 18 percent were poor despite the fact that their mothers worked full-time. In comparison, 62 percent of children under six living with unmarried mothers who worked part-time were poor. The poverty rates of children under six living with unemployed parents varied little between those in married two-parent families (83 percent) or those with unmarried mothers (82 percent). (See Table 2.)

Table 2. Percentage distribution, number, and poverty rate, of all children under six, by family type and parental employment status, 1992

Family type and parental employment status	All children under six		Poverty rate
	Percentage distribution	Number (in millions)	%
Unmarried mothers	**100**	**5.6**	**63**
Holding full-time job	20	1.1	18
Working part-time	33	1.9	62
Not employed	47	2.6	82
Married two-parent families	**100**	**16.7**	**13**
Holding more than one full-time job	55	9.1	3
Holding only one full-time job	28	4.6	12
Working part-time	15	2.6	40
Not employed	2	0.3	83

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[Prepared by Jiali Li and Neil Bennett.]

12/20/94

The odds of being poor increase for children under six living with unmarried mothers. These mothers are least likely to be working full-time.

Among the 3.5 million poor children under six living with unmarried mothers, 6 percent had full-time working mothers, 33 percent had mothers who worked part-time, and 62 percent (2.2 million) had mothers who were not employed. Among the 2.1 million poor children under six living in married two-parent families, 37 percent had at least one parent who held a full-time job. Some 49 percent had parents who worked, but not full-time. Only 14 percent of these children lived in families where both parents were not employed. (See Table 3.)

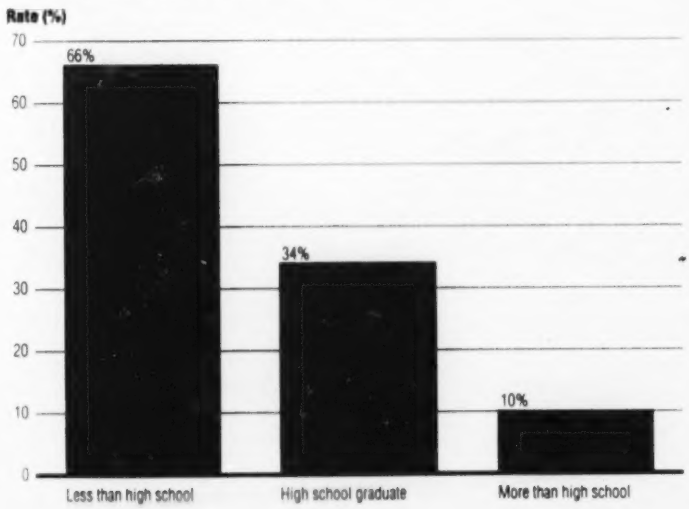
Table 3. Percentage distribution and number of poor children under six, by family type and parental employment status, 1992

Family type and parental employment status	Percentage distribution	Number (in millions)
Unmarried mothers	**100**	**3.5**
Holding full-time job	6	0.2
Working part-time	33	1.1
Not employed	62	2.2
Married two-parent families	**100**	**2.1**
Holding at least one full-time job	37	0.8
Holding at least one part-time job	49	1.0
Not employed	14	0.3

Young children with better-educated parents are much less likely than others to be poor, but high school graduation isn't enough.

The poverty rate among children under age six whose parents had less than a high school education was 66 percent, compared with 10 percent among those children who had at least one parent with more than a high school education. The poverty rate was high—34 percent—among children with at least one parent who had graduated from high school, indicating that high school graduation does not assure a reasonable standard of living. (See Figure 9.)

Figure 9. Poverty rate for children under six by education level of the better-educated parent, 1992



Better-educated parents are more likely to be employed and to earn enough to avoid poverty.

Individuals with higher levels of education generally have more job opportunities, higher wages, and greater job security than those with lower levels of education. In 1992, among children under six in families whose better-educated parent had more than a high school education, 81 percent lived in homes where at least one parent held a full-time job. The poverty rate for this group was the lowest of all children under six—3 percent. Among children under six whose better-educated parent was a high school graduate, 59 percent lived in homes where at least one parent held a full-time job. The poverty rate for this group was 11 percent. (See Table 4.)

Among children under six living in families whose parents did not graduate from high school, only 28 percent lived in homes where at least one parent held a full-time job. The poverty rate for this group was high—31 percent. (See Table 4.)

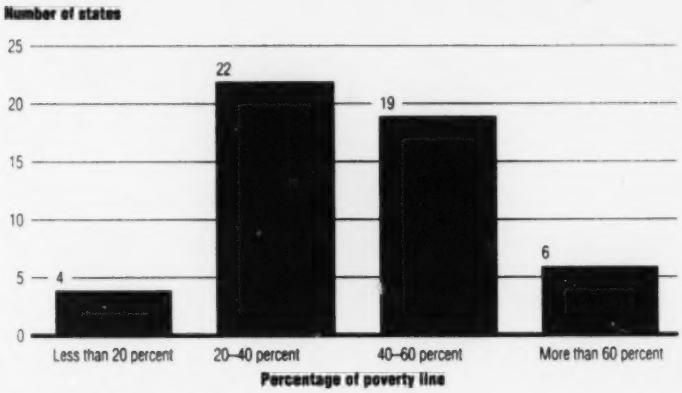
Table 4. Percentage distribution, number, and poverty rate, of all children under six, by parental educational level and employment status, 1992

Parental educational level and employment status	All children under six		Poverty rate
	Percentage distribution	Number (in millions)	%
Less than high school	**100**	**3.4**	**66**
Holding at least one full-time job	28	0.95	31
Working part-time	30	1.02	69
Not employed	42	1.46	86
High school graduate	**100**	**7.1**	**34**
Holding at least one full-time job	59	4.1	11
Working part-time	25	1.8	55
Not employed	16	1.1	83
More than high school	**100**	**12.7**	**10**
Holding at least one full-time job	81	10.3	3
Working part-time	15	1.9	33
Not employed	4	0.5	67

Public assistance does not guarantee that families will not be poor.

Receipt of public assistance does not prevent poverty. Public assistance subsidies alone, which vary in amount on a state-by-state basis, do not raise family income above the poverty line. In 1992, the monthly maximum AFDC (Aid to Families with Dependent Children) cash subsidy for a family of three ranged from $120 in Mississippi to $924 in Alaska, with a median state value of $372 per month, which represented only 40 percent of the poverty line that year. (See Figure 10.) The vast majority—88 percent—of children under six whose parents receive public assistance and have no earnings from employment are poor.

Figure 10. Number of states including Washington, DC, by maximum AFDC benefits as a percentage of the poverty line for a family of three, 1992



AFDC = Aid to Families with Dependent Children
Source: U.S. House of Representatives, Committee on Ways and Means, Overview of Entitlement Programs 1992 Green Book

Less than one-third of poor parents with children under six rely exclusively on public assistance. A majority of them work.

While earnings from employment offer the primary means of escaping from poverty, in 1992 a majority of all poor children under six—some 58 percent—lived with working parents. As many as 38 percent of poor children under six lived with parents who supported their families with earnings only, and no public assistance. Less than one-third of poor children under six lived in families who relied exclusively on welfare. (See Table 5.)

Table 5. Percentage distribution, number, and poverty rate, of all poor children under six by sources of family income, 1992

Source of family income	Poor children under six		Poverty rate
	Percentage distribution	Number (in millions)	%
Earnings, no cash public assistance	38	2.3	12
Earnings and cash public assistance	20	1.2	63
Cash public assistance, no earnings	32	1.9	88
All other sources of income	10	0.6	69

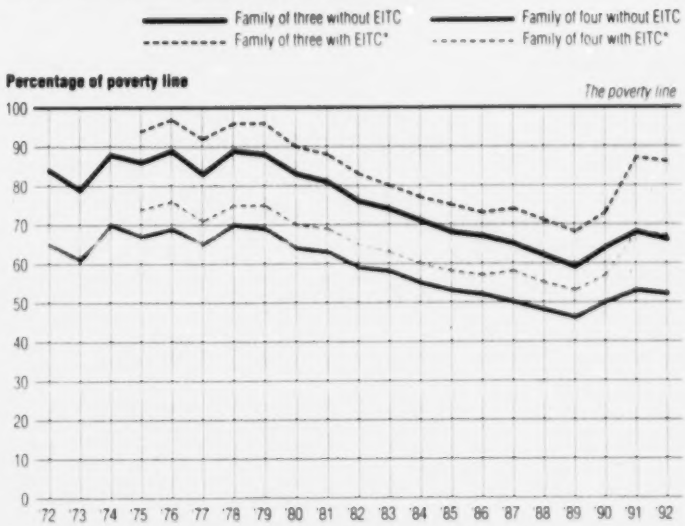
Full-time employment does not guarantee that families will not be poor. While the Earned Income Tax Credit helps families in poverty, it does not close the poverty gap entirely.

The federal minimum wage was $4.25 per hour in 1992. If a person were employed full-time, year-round, and worked 1,750 hours during the year, the income generated from this job would be only $7,438—just 66 percent of the poverty line for a family of three, and 52 percent of the poverty line for a family of four.

The Earned Income Tax Credit (EITC), enacted by Congress in 1975, is a refundable cash credit on federal income tax available to working poor families with children.* In 1992, a working family with earned income of less than $22,370, and with at least one child living at home for more than half the year, might have been eligible for receiving an EITC of up to $2,211. This would have increased the income of a one-minimum-wage-earner family up to $9,648. This amount was still 14 percent below the poverty line for a family of three, and 33 percent below the poverty line for a family of four. (See Figure 11.)

** As of 1994, low-income individuals who have earned income and are without children may also be eligible for EITC.*

Figure 11. Minimum-wage earnings for full-time, year-round work as a proportion of the poverty line by family size, with and without the Earned Income Tax Credit (EITC), 1972–1992



** Families with at least two children were used to calculate 1991 and 1992 data. Prior to 1991, EITC guidelines did not reflect whether a family had one or more children.*
Additional sources: U.S. Internal Revenue Service, Office of Public Affairs; U.S. Department of Labor, Wage and Hour Division